



January 16, 2018

Dear House Financial Services Committee Member:

As members of the State Financial Officers Foundation (SFOF), we support regulatory policies that foster economic growth and job creation through consumer and investor choice, and access to capital for states and local governments and main street businesses. For this reason, we are writing to urge you to vote for H.R. 2319, the Consumer Financial Choice and Capital Markets Protection Act of 2017, and reject efforts by the largest Wall Street asset managers to block enactment of this bipartisan legislation.

H.R. 2319 fixes the real and significant unintended consequences of a Securities and Exchange Commission (SEC) rule that has limited the ability of state financial officers to utilize stable value prime and tax-exempt money market funds. Such funds have been widely and effectively used to manage liquidity for public investments, and as a reliable source of working capital to finance infrastructure and economic development.

We understand that many of the Wall Street fund companies are content with the SEC reforms as they do not ultimately bear the implementation and economic costs. Those costs are being paid by state and local governments and other end-users of money market funds in the form of higher fees, increased borrowing costs, and lower returns on our management of operating cash. The SEC rule caused investors to shift \$1.2 trillion from prime and tax-exempt money market funds and into funds that invest only in the debt of the U.S. government, thereby subsidizing Treasury and GSE debt at the expense of state and local government needs.

By limiting our ability to access safe and efficient capital markets tools, and undermining the investments we make to protect public funds, the SEC rule is putting unnecessary pressure on state and local government budgets as we seek to finance programs, services and public infrastructure for our citizens. H.R. 2319 will reverse this unnecessary regulatory impediment, and we urge you to vote to enact this important legislation without any substantive amendments.

Thank you for your consideration.

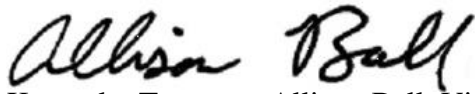
Sincerely,

A handwritten signature in black ink that reads "Derek Kreifels".

Derek Kreifels, President
State Financial Officers Foundation

A handwritten signature in black ink that reads "Ron Crane".

Idaho Treasurer Ron Crane, National Chair
State Financial Officers Foundation



Kentucky Treasurer Allison Ball, Vice Chair
State Financial Officers Foundation



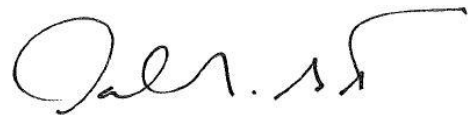
Arizona Treasurer Jeff DeWit



Indiana Treasurer Kelly Mitchell



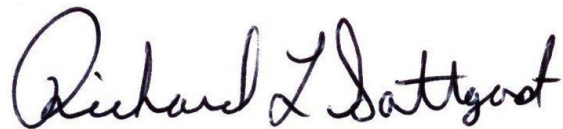
Nebraska Treasurer Don Stenberg



Nevada Treasurer Dan Schwartz



North Dakota Treasurer Kelly Schmidt



South Dakota Treasurer Richard Sattgast



Wyoming Treasurer Mark Gordon



Mississippi Treasurer Lynn Fitch, Past Chair
State Financial Officers Foundation



Arkansas Treasurer Dennis Milligan



Maine Treasurer Terry Hayes



Nevada Controller Ronald Knecht



North Carolina Treasurer Dale Folwell



South Carolina Treasurer Curtis Loftis



Washington Treasurer Duane Davidson